

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 1078 - HB 1494

March 27, 2011

SUMMARY OF BILL: Authorizes performance requirements in Department of Children's Services (DCS) contracts or grants related to the prevention, treatment, or care of delinquent juveniles; however, these performance requirements cannot be used to decrease the initial grant or contract amount or be used to collect financial penalties from contractors for failure to meet performance requirements.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue - \$806,600

Assumptions:

- The Department currently includes performance requirements with financial incentives within contracts and grants and collects penalties for contractors not meeting the agreed to standards.
- DCS estimates that they will collect \$806,641 in financial penalties in FY11-12 from contractors' failure to meet performance requirements. Under this bill, this money will not be collected resulting in a decrease in state revenue. It is assumed that this amount will remain relatively constant in future fiscal years.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, reading "James W. White".

James W. White, Executive Director

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